GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:1835
ANSWERED ON:01.08.2003
GROWTH OF INFRASTRUCTURE SECTOR
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether infrastructure sectors recorded a minimum growth during 2002-03 and in the first quarter of current year;

(b) if so, the facts thereof and details of the reasons responsible for poor growth;

(c) the targeted growth rate and actual growth rate in coal, petroleum, cement, electricity and steel for above period; and

(d) the steps taken by the Government to boost the growth rate of infrastructure sector?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI CH. VIDYASAGAR RAO)

(a) & (b): The six infrastructure industries, namely, crude petroleum, petroleum refinery products, finished steel , coal, cement and electricity posted an overall growth of 5.2 percent in 2002-03 which is higher than 3.5 percent in 2001-02. These six industries registered an overall growth of 4.1 percent in the first quarter of current financial year compared with 6.2 percent in the corresponding quarter of the previous financial year. Decline in the output of crude petroleum and low growth in coal, petroleum refinery products and cement have been responsible for overall low growth in six infrastructure industries during the first quarter of the current financial year.

(c): The details of target and actual production in six infrastructure industries during 2002-03 and first quarter of current financial year are given below:

Industry	Unit	2002-03	2003-04 (April-June)	
		Target Actual	Target Actual	
Crude Petroleum	Million Tonnes	33.28 33.07(3.3)	7.78 8.00 (-2.1)	
Petroleum Refinery Products	Million Tonnes	116.83 112.56(4.9)	28.65 27.73(0.2)	
Coal	Million Tonnes	331.6 336.52(4.3)	78.21 79.12(4.6)	
Cement	Million Tonnes	11.55 11.63(8.8)	31.5 31.3(4.9)	
Finished Steel	Million Tonnes	36.88 34.38(8.7)	9.23 8.72(7.5)	
Electricity	Billion Units	545.55 531.43(3.1)	138.89 135.01(4.0)	

Source: M/o Statistics & Programme Implementation
Figures in bracket are growth rate (%) over corresponding period of last year

(d): The Government has announced following measures to boost growth rate of infrastructure sector:

Budget 2003-04 provides a major thrust to infrastructure, principally to roads, railways, airports, and seaports, through innovative funding mechanisms. This is likely to have a favorable impact on steel and cement in particular. This comprehensive initiative will cover the following:

- 48 new road projects at an estimated cost of around RS. 40,000 crore;
- National Rail Vikas Yojana projects worth Rs. 8,000 crore;
- Renovation/modernisation of two airports, and two seaports at an estimated cost of Rs. 11,000 crore; and
- Establishing two global standard international convention centres at an estimated cost of Rs. 1,000 cr.

Union budget extends the benefits of mega power projects to any new project that fulfills the conditions already prescribed for major power projects.
Given the importance of transmission in the power sector, the government has reduced custom duties on specific equipments for High Voltage transmission projects from 25% to 5%.
The Electricity Act, 2003 seeks to bring about a qualitative transformation of the electricity sector by creating liberal framework of development for the power sector.